

**LODI CITY COUNCIL  
SPECIAL CITY COUNCIL MEETING  
CARNEGIE FORUM, 305 WEST PINE STREET  
TUESDAY, OCTOBER 19, 2004**

A. CALL TO ORDER / ROLL CALL

The Special City Council meeting of October 19, 2004, was called to order by Mayor Hansen at 7:04 a.m.

Present: Council Members – Beckman, Hitchcock, Howard, and Mayor Hansen

Absent: Council Members – Land

Also Present: Interim City Manager Keeter, City Attorney Schwabauer, and City Clerk Blackston

B. REGULAR CALENDAR

B-1 "Wastewater treatment services outside City"

Public Works Director Prima reported that a request for sewer service was received from County Service Area 31, which operates the wastewater treatment facilities for the Flag City development at the intersection of Highway 12 and Interstate 5. He recalled that in 1981 when Flag City was first proposed, developers had requested connection to the City's system and it was denied by Council. Later the California Department of Transportation asked about a sewer connection for a rest stop at that location, which was also denied by Council. Mr. Prima stated that the Regional Board has grown more strict about discharge requirements and the County is now faced with an expensive major upgrade at its facility. There is a small user group in Area 31 so the cost of sewer service is quite high compared to other areas. For this reason, the County has asked that the City reconsider the potential of connecting the service district to Lodi's wastewater facility. Mr. Prima stated that it was feasible from a technical and engineering standpoint. The City would need to revise its pending permit with the Regional Board to show that the additional capacity could be accommodated by Lodi's wastewater facility and still meet the discharge requirements. He stated that from a business standpoint such an arrangement could be advantageous as a revenue generator. He acknowledged that land use and general policy issues have been sources of concern during previous discussions.

Tom Flinn, San Joaquin County Public Works Director, explained that County Service Area 31 is one of a multitude of special districts that have been formed throughout the county to provide services of sewer, water, street lighting, and storm drainage.

With the aid of overheads (filed), Steve Winkler, San Joaquin County Deputy Public Works Director, stated that both Lodi's and the County's plants discharge to the west and are facing new and enhanced permit requirements that are onerous. He recalled that County Service Area 31 was formed in 1981 when the development was known as Saddle City. The area is comprised of 80 acres and is zoned Highway Commercial. The County's treatment plant was completed in 1995 and currently has 11 customers. A Recreational Vehicle Park and second motel have been planned for the area. The County's new permit requires that \$300,000 worth of short-term improvements be made within the next 12 months. The County must get its effluent to drinking water standards. By the year 2008, the County must either complete a major overhaul to its plant to continue discharging to the canal or are faced with pursuing other alternatives. Mr. Winkler stated that if the City were amenable to the partnership proposal, the County would pay a buy-in fee, an out of area service surcharge, the cost of City staff and consultant expense for required environmental documentation, and its fair share toward upgrades to the City's plant. He noted that the partnership is a potential for a regional approach that might curry favor with the Regional and State Water Boards. The build out capacity on the 80 acres would be less than 2% of the City's proposed build out within the next couple of years as part of Lodi's new permit application. Area 31's current demand is less than 1% of Lodi's current capacity. Mr. Winkler explained that it would be fairly simple to extend a small force main a couple of miles down Thornton Road within the county right of way to be able to pump effluent to

Lodi's sanitary main. The County would expect the City to require "some voice" in any land use or development proposals that came up as part of a partnership and would expect that to be formalized in a service agreement. He noted that there are a number of jobs at Flag City that are filled by Lodi residents. If a cost-effective solution is not found, the increased sewer rates might put some of the smaller gas stations and fast food restaurants out of business.

Mayor Pro Tempore Beckman stated that he liked the proposal; however, he recalled that the County was not cooperative with the City on the issues of the greenbelt or tax-sharing agreement.

Council Member Howard felt that if this were pursued it would be important to make it clear in writing that Lodi maintains ownership, operation, and full right to decision making regarding its plant.

Mr. Winkler assured Ms. Howard that the County did not expect to have any ownership in Lodi's plant.

Council Member Howard noted that the City has a sphere of influence proposal to be heard by the Local Area Formation Commission (LAFCO) in December and suggested that any decision regarding this request be held until after the LAFCO meeting. She explained that if the sphere of influence request is modified, e.g. the area that is hoped to be available for discharge is limited, it might impact the City's ability to honor the County's request for sewer service.

Mr. Prima stated that if the County's flow is limited to .16 mgd (million gallons per day) and the City has control over whether it gets expanded or not, then it would not change the sphere of influence proposal in any way because the sphere was predicated on 11.6 mgd.

Council Member Hitchcock stated that the wastewater treatment facility was built and paid for by the people of Lodi. She was adamantly opposed to giving up any control or use of the facility to any outside entity. She did not want staff time devoted to pursuing the matter. She pointed out that this is the reason urban development should occur in cities where people pay taxes for these types of services.

Mayor Pro Tempore Beckman believed it was good long-term planning and felt there could be benefit in the proposed partnership, such as additional revenue for the City.

In answer to Mayor Hansen, Mr. Winkler reported that County Service Area 31's annual budget is \$250,000 a year. Another option that may be considered is land based disposal.

Mayor Hansen expressed concern for potential development in the area. He stated that more detailed information is needed regarding the financial benefit versus the short-term, long-term, and regional consequences.

Mr. Prima suggested that staff draft a conceptual memorandum of understanding for Council adoption, which could then be submitted to the County Board of Supervisors for consideration.

Council Member Howard felt that staff's time and effort, and the City's focus, should be on the success of the sphere of influence request and completion of the wastewater treatment plant's upgrades.

Mayor Pro Tempore Beckman stated that he would like to explore this matter further.

Mayor Hansen stated that he did not wish staff to dedicate a lot of time and effort toward this issue, as there are too many unknowns.

Interim City Manager Keeter suggested that the matter be brought back for Council's consideration following LAFCO's decisions on the City's sphere of influence proposal.

C. CLOSED SESSION

C-1 "Conference with labor negotiator, Human Resources Director Joanne Narloch and Rick Bolanos, regarding Police Officers Association of Lodi and Lodi Police Dispatchers Association pursuant to Government Code §54957.6" was ***pulled from the agenda pursuant to staff's request.***

D. RETURN TO OPEN SESSION / DISCLOSURE OF ACTION – N/A

E. ADJOURNMENT

There being no further business to come before the City Council, the meeting was adjourned at 7:58 a.m.

ATTEST:

Susan J. Blackston  
City Clerk